GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3548
ANSWERED ON:27.04.2007
DEVELOPMENT OF MUMBAI AS FINANCIAL CENTRE
Deora Shri Milind Murli

Will the Minister of FINANCE be pleased to state:

(a) whether a high powered Committee has suggested that Mumbai can be developed as an International Financial Centre (IFC) to get country's financial Institutions integrated with Global institutions;

(b) if so, the details thereof;

(c) whether any city other than Mumbai can be considered for IFC;

(d) if so, the details thereof;

(e) if not, reasons therefor; and

(f) the infrastructure support necessary to be made available to enable Mumbai to emerge as International Financial Centre (IFC)?

Answer

MINISTER OF THE STATE IN THE MINITRY OF FINANCE (SHRI P.K. BANSAL)

(a) Yes, Sir.

(b) A High Powered Expert Committee (HPEC) constituted by Government, pursuant to an announcement in the Budget 2005- 06, made several recommendations for developing Mumbai as an International Financial Centre. These include recommendations on
(i) the general macroeconomic environment and the policy framework,
(ii) financial system reforms, and
(iii) for provision of top class urban infrastructure and governance in Mumbai. Detailed recommendations are available on the Ministry of Finance website at .

(c), (d) & (e) Mumbai has been the hub of almost all the major developments in the financial sector in India and is also home to world class securities market infrastructure. Further, Mumbai is strategically located almost midway between London and Tokyo, two nerve centres of world finance. Given these factors, Mumbai is best suited to become an International Financial Centre.

(f) The HPEC has observed that developing Mumbai as an IFC would require infrastructure of high quality including, inter alia, sophisticated IT hardware, software and software support capacity, high quality electric power supply and physical infrastructure such as residential and commercial space, transportation and communication facilities, power, water, waste disposal facilities etc.